

**REMARKS**

Claims 2, 3, 7 and 11 have been canceled and all claims depending therefrom have either been canceled or amended.

**Claim Rejections under 35 U.S.C. §103**

**Claims 1, 3, 4-6, 9/5, 10/5, 11-15, 16/5, 17/5, and 18-20 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Maes et al. (U.S. 6,016,476) in view of Krlarsky (U.S. Publication No. 20010037308), and further in view of Pathmasuntharan et al. (U.S. 6,955,299).**

The present invention as described in the first embodiment shown in Figure 4 is a method of settling a transaction which begins in step 1 by connecting the user terminal (10) and the authorization server (22) of the service center (20). In step 2, the authorization center (22) authenticates the IC card (4). In step 3, the identity of the user is verified by the authorization center (22) through the entry of a personal identification number (PIN). In step 4, the user enters the PIN. In step 5, IC credit card or IC debit card information is transmitted to the settlement server (41) of the card company/bank (40). In step 6, the settlement server generates a one-time password usable for only one transaction and useable for a limited period of time. In step 7, the user then inputs the one-time password as displayed on the mobile telephone (1) into the cat terminal of debit terminal (30) of the business establishment. In step 8, the cat terminal or debit terminal (30) transmits the one-time password to the settlement server (41). Finally, in step 9, the settlement server (41) transfer a transaction satisfying the settlement of the transaction.

Maes et al. describes a portable client PDA having I/O capability to read a smart card. The PDA also has a radio frequency modem for communications. The PDA can operate in a client/server mode in which a temporary digital certificate is periodically downloaded to the PDA. This temporary digital certificate is used to access information stored in PDA and to write such information to the Universal smart card. Once the information is written to the smart card a transaction may take place.

Maes et al. further describes a smart card reader and writer built into a cellular telephone. Specifically, column 5, lines 25-27 of Maes et al. states:

“The PDA device 10 includes a smartcard reader/writer 26 (as is known in the art) for reading and writing information to and from various cards, e.g., magnetic cards, IC cards...”

Column 14, lines 12-13 of Maes et al. states:

“Moreover, the functions and components of the PDA device 10 may be built into a cellular phone...”

Krlarksy describes a secure identification system in which a single use certificate is used to eliminate the possibility of electronic theft.

However, in this Office Action the Examiner uses the reference Pathmasuntharan et al. as teaching both a contact type IC card and a noncontact type IC card built into the mobile telephone. Specifically, Pathmasuntharan et al. states in column 1, lines 42-50,

“Alternatively, a user may place the smart card (for a contact-less smart card) in front of the smart card reader, and the smart card exchanges electronic cash value

information with the smart card reader by using radio frequency (RF) signals to perform the transaction. If the appropriate electronic cash value information is exchanged, the smart card reader and the smart card perform the transaction for the purchase of goods or services.”

A card settlement method and system using a mobile information terminal according to the present invention discloses the card settlement method and system including an operation which is carried out by a person who uses a user-terminal, an operation of a settlement terminal and how certification is effected.

Contrary to this, the citations merely show certification in a transaction and do not constitute a settlement system. The only resemblance between the citations and the present invention is to use an IC card for the mobile information terminal.

The card settlement method and system according to the present invention is achieved by the systematic combination of each constituent feature and thus the present invention has a synergistic effect and has a superior function as compared with the sum of the individual effects and functions of each constituent feature.

Independent claim 1 has been amended to distinguish them over the prior art. This amendment to claim 1 entails adding the feature to further detail the password itself to indicate that “ wherein the temporary password is data obtained by encrypting said settlement information and said temporary password and is not stored in said settlement server”. This feature finds support in page 14, line 37 through page 15, line 2 of the specification. The prior art of record fails to describe this feature. Therefore, withdrawal of the rejection of claims 1, 3, 4-6, 9/5, 10/5, 11-15, 16/5, 17/5, and 18-20 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Maes et al. (U.S.

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6,016,476) in view of Krlarsky (U.S. Publication No. 20010037308), and further in view of Pathmasuntharan et al. (U.S. 6,955,299) is respectfully requested.

**Claims 2, 7-8, 9/7, 10/7, 16/8, 12, 17/8, 16/(8,12), and 17/(8,12) stand rejected under 35 U.S.C. 103(a) as being unpatentable over Maes et al. (U.S. 6,016,476) in view of Shkedy, (U.S. 6,260,024), and further in view of Pathmasuntharan et al. (U.S. 6,955,299).**

Shkedy describes a buyer-driven purchase order system in which both the buyer and the seller are authenticated.

With the cancellation of independent claims 2 and 7 this rejection is moot. Therefore, withdrawal of the rejection of claims 2, 7-8, 9/7, 10/7, 16/8, 12, 17/8, 16/(8,12), and 17/(8,12) under 35 U.S.C. 103(a) as being unpatentable over Maes et al. (U.S. 6,016,476) in view of Shkedy, (U.S. 6,260,024), and further in view of Pathmasuntharan et al. (U.S. 6,955,299) is respectfully requested.

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**Conclusion**

In view of the aforementioned amendments and accompanying remarks, claims, as amended, are in condition for allowance, which action, at an early date, is requested.

If, for any reason, it is felt that this application is not now in condition for allowance, the Examiner is requested to contact the applicants' undersigned attorney at the telephone number indicated below to arrange for an interview to expedite the disposition of this case.

In the event that this paper is not timely filed, the applicants respectfully petition for an appropriate extension of time. Please charge any fees for such an extension of time and any other fees which may be due with respect to this paper, to Deposit Account No. 01-2340.

Respectfully submitted,

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PATENT TRADEMARK OFFICE

Enclosure: Petition for Extension of Time

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